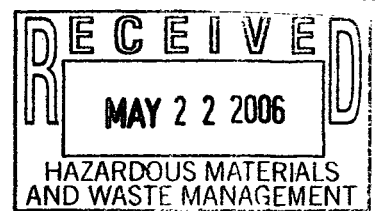


05/16/06

1765087 - R8 SDMS

TOWN OF RICO
DOLORES COUNTY, COLORADO
INCORPORATED OCTOBER 11, 1879
2 North Commercial Street
Post Office Box 9
Rico, Colorado 81332
Office # 970.967.2861
Fax # 970.967.2862
www.ricocolorado.org



May 16, 2006

Colorado Department of Public Health & Environment
HMWMD-RP-B2
4300 Cherry Creek Drive South
Denver, Co. 80246

Dear Mr. Mark Walker:

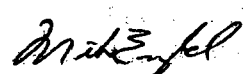
As you are aware the Town of Rico is presently working under the Voluntary Clean-up Program regarding lead soils removal and other environmental mine waste projects. The Town of Rico, Atlantic Richfield, and Rico Renaissance are working to form a non-profit corporation to address the Van Winkle mill site tailings, St. Louis Tunnel area concerns and other mining impacted areas located in the Rico area.

On May 8, 2006 representatives from Atlantic Richfield, Rico Renaissance, Town of Rico and adjacent land owners near the Van Winkle area met on site to review and discuss concerns related to the development and the remediation plan concerning that area. A planning application from ARCO will be forthcoming in the next few weeks/months. Submittal of Town planning requirements from ARCO will determine the time frame in which the work will proceed. ARCO representative, Patrick Lee, stated their plan would be to start work this summer and finish before winter. The plan would include the non-profit property being developed into a small public park with walking paths.

It is our understanding the Colorado Department of Public Health & Environment has allocated \$25,000.00 toward the re-vegetation work for the Van Winkle Head Frame / Public Park area. Please receive this letter as a formal application and request for the allocated \$25,000.00 for the Van Winkle project. I will continue to update you with information and progress regarding this project in a timely manner.

Please let me know if you have any questions or in need of further information.

Sincerely,


Mike England
Town Manager